

EDUCATION OVERSIGHT COMMITTEE

Subcommittee: EIA and Improvement Mechanisms Subcommittee

Date: December 10, 2007

REPORT/RECOMMENDATION

Recommendation from the EIA and Improvement Mechanisms Subcommittee regarding the Fiscal Year 2008-09 Education Improvement Act and Education Accountability Act budgets and related provisos.

PURPOSE/AUTHORITY

Section 59-6-10 of the Education Accountability Act requires the EOC to "review and monitor the implementation and evaluation of the Education Accountability Act and Education Improvement Act programs and funding" and to "make programmatic and funding recommendations to the General Assembly."

CRITICAL FACTS

The Subcommittee requests the approval of the proposed recommendations and executive summary which will then be transmitted to the Governor and the General Assembly.

TIMELINE/REVIEW PROCESS

August 17, 2007	On-line budget survey reporting system operational
October 5, 2007	Completion of on-line budget survey
October 8, 2007	Subcommittee received copy of all program and budget request documents submitted via the on-line survey
November 19, 2007	Subcommittee reviewed and discussed budget recommendations
December 4, 2007	Subcommittee finalized EIA and EAA budgets and related provisos; carried over proviso amending the technical assistance program until December 10

ECONOMIC IMPACT

Cost:

Fund/Source:

ACTION REQUEST

☒ **For approval**

☐ **For information**

ACTION TAKEN

☐ **Approved**

☐ **Amended**

☐ **Not Approved**

☐ **Action deferred (explain)**

**EIA and Improvement Mechanisms Subcommittee
Summary of EIA and EAA Recommendations, FY 2008-09
(As Adopted on December 4, 2007)**

The budget and proviso recommendations for the Education Improvement Act and the Education Accountability Act for Fiscal Year 2008-09 reflect optimism and concern. The subcommittee is pleased to recommend the expansion of and adoption of new funding for several proposals to stimulate innovation and to recognize student academic achievement. In the current fiscal year fifteen proposals for public choice innovations schools were submitted to the South Carolina Department of Education. Regarding achievement, last year 309 schools were Palmetto Gold and Silver recipients. Last April the Education Oversight Committee recognized 135 schools that had closed the achievement gap for at least one target subgroup – African American students, Hispanic students, or students participating in the free/reduced price federal lunch program.

On the other hand, the recommendations for the EAA technical assistance program express the concern that the subcommittee has with the inability of the technical assistance program to improve academic achievement in persistently underperforming schools despite investments in these schools. Since 2004 150 schools have persistently had an absolute performance rating of Unsatisfactory or Below Average on the annual school report card. Between FY05 and FY07 the General Assembly appropriated over \$154.5 million in technical assistance funds for the state's underperforming schools. The current year's budget appropriation exceeds \$80 million.

In light of the optimism and concern, the subcommittee submits to the full committee the following recommendations that address four key objectives of the Education Oversight Committee:

Objective 1: *Recruit, Prepare and Retain Quality Teachers*

The Subcommittee had extensive debate over the National Board certification program. Without having data to determine the impact of the program on student academic achievement in South Carolina, the Subcommittee deferred recommending any changes in the program until Fiscal Year 2009-10 and recommended an additional \$2.5 million for the program. In addition, the Subcommittee recommended increasing the appropriation to the Center for Educator Recruitment, Retention and Advancement (CERRA) by \$300,000 to establish a data collection system that will determine the impact of National Board teachers on student academic achievement. And, rather than recommending a statewide mentoring program that funds district personnel to oversee and implement mentoring, the EOC at this time recommends that existing training of mentors and mentor leaders be expanded by CERRA. Other significant proposals include:

- Average Teacher salaries in South Carolina would continue to be funded at \$300 above the Southeastern average of \$47,004. The current year's projected South Carolina average teacher salary is \$45,722.
- Center for Excellence to Prepare Teachers of Children of Poverty at Francis Marion University (\$234,300) -- Both a pre-service and in-service program to prepare teachers to teach children of poverty, this program will be expanded to more districts and schools.

Objective 2: *Encourage Innovation and High Achievement*

The Subcommittee recommends the following increases in funding for programs that directly reward performance, encourage innovation and foster high student academic achievement.

- Annualize Summer School Funding (\$12,402,840) – These funds directly impact student academic achievement.

- Palmetto Gold and Silver (\$1,750,000) Of this amount \$750,000 would be allocated to reward gap-closing schools (\$5,000 per school) as identified and recognized by the Education Oversight Committee. The remainder would increase the funding level of the original program.
- Gifted and Talented Program (\$1,477,202) This increase reflects an inflationary increase for the program of 4.12%, the same as the EFA.
- Public Choice Innovation Schools (\$1,350,000) In the current fiscal year, fifteen proposals were submitted to create public choice innovations schools. The desire exists in our schools to try innovative approaches to student learning. The increase would fund the second year of the program.
- Innovaluation" Pilot Program (\$1,300,516) – Also recommended is a proposal by the Superintendent of Education to create an office of 'innovaluation" at the Department of Education. Through the office, schools would be awarded funds to create and pilot programs that dramatically improve student achievement and the school culture and environment. The office would then measure and evaluate the pilot programs' success and their ability to be expanded.
- Young Adult Education (\$1,600,000) – As requested by the Department of Education, the increase would continue the phase-in of funding for young adults ages 17 to 21 who did not earn a high school diploma.
- School Libraries (\$2,000,000) – Last year the General Assembly appropriated one million dollars in non-recurring funds for school libraries. The recommendation is to annualize these funds and increase by \$1.0 million.

Objective 3: *Simplify and Streamline Funding*

Historically, the Subcommittee has focused on ways to simplify and streamline the EIA budget to focus more resources on programs and initiatives that improve and innovate public school with quantifiable results. This objective is also evident in the EOC's funding formula system that is also annually updated. This year the Subcommittee recommends the consolidation of several programs into one line item that expressly focuses on reading across all grades and content areas, mathematics, English language arts, science and social studies.

Research has documented that the ability to read proficiently is a fundamental skill affecting a students' entire learning experience and school performance. Research also demonstrates that students who are competent readers perform better in all other subjects and are more likely to graduate from high school. Such achievement is critical in preparing a workforce that can succeed in the 21st century. In South Carolina as well as nationally reading scores are stagnant. In 2007, 57% of schools experienced declines in PACT performance in English language arts at the Basic and above level. At the Proficient or Advanced performance level, 54% of schools also declined in ELA PACT performance.

- Consolidation of funds allocated to Act 135 Academic Assistance funds, Reduce Class Size, Summer School, Parent Support and Family Literacy into one line item — These funds would be distributed to school districts based on the number of students eligible for the free/reduced price lunch program and/or Medicaid. The funds could only be expended on direct services to students and tutorials with students and their families. The Department of Education would provide by November 1 of each fiscal year a report to the General Assembly and the Education Oversight Committee documenting student academic achievement in reading by school district.
- Consolidation of all funds for children with disabilities or special needs into one line item.

- Reallocation of all EIA funds for TECH Prep and High Schools that Work to the EEDA for better coordination of programs through the EEDA. The EEDA is funded with general funds.
- Elimination of the Competitive Teacher Grant Program (\$1,287,044) – The program provides evidence of the resources purchased with the funds but no measurable evidence of the impact of the program on student academic achievement. The recommendation is that the program, which has been in existence since passage of the EIA, be discontinued and the funds allocated to other objectives.
- Recommendation that any lottery funds for schools also be targeted on improving reading proficiency in all grades and across all content areas (English/language arts, mathematics, science and social studies).

Objective 4: Continue Implementation of EAA

Regarding the Education Accountability Act, the Subcommittee recommends the following:

- Increase in assessment for formative assessments of \$1.0 million to increase the per pupil allocation from \$9 to \$12 and for Career and Technology Education (CATE) assessments of \$800,000. Beginning in Fiscal Year 2008-09 the federal Perkins Act of 2006 requires formal assessments of students' technical proficiency skills. The EOC has annually recommended that these assessments be paid by the state like the assessments for AP students.
- External Review Teams – Based on the results of the 2007 report card, an increase of \$2,076,709 is need for external review teams in newly identified and continuing Unsatisfactory schools.
- SASI – The South Carolina Department of Education requested \$12.1 million for phase one of the replacement of SASI, the

data collection and reporting system. While the contractor will be able to maintain SASI, future system upgrades will not be available. The Department wants to begin replacing SASI with a more reliable, efficient and easier to maintain web-based system. The EOC, working with the South Carolina Department of Education and the State CIO, is convening a stakeholder group to define the technology infrastructure and professional development needed in our state's schools. The EOC is committed to increasing the return on investment in education. Investment in technology is a key component of this system. Currently, there are 190 different data points collected through SASI. Having reliable district, school, program and financial data is critical to the state's accountability system. Replacing SASI with another data collection system will require extensive planning and development. The system should be uniform across schools and districts and implemented in an orderly and methodical manner with all programs interfaced. The system should also plan for the future by being flexible and upgradeable. The development of the system will require coordination with the CIO and a specific, yearly implementation and maintenance plan which includes ongoing staff development training, and broad involvement of all stakeholders from the classroom to the state level.

- **Technical Assistance – No additional funds are recommended for the program. The Subcommittee will have recommendations to amend the proviso relating to technical assistance after its meeting on December 10, 2007 at 10:00 a.m.**

EIA REVENUE PROJECTIONS FOR FY2008-09

FY2007-08 Appropriation Act	
Non-Recurring EIA Funds for Summer Schools	\$12,402,840
Recurring EIA Funds (Base)	<u>\$677,833,363</u>
TOTAL:	\$690,236,203
FY2008-09	
BEA Revenue Estimate (August 2007)	\$658,161,423
BEA Revenue Estimate (November 9, 2007)	\$674,714,375
DIFFERENCE Over Recurring Base	(\$3,118,988)

EIA and Improvement Mechanisms Subcommittee RECOMMENDED INCREASES/DECREASES FOR FY2008-09

<i>Objective: Recruit, Prepare and Retain Quality Teachers</i>	Recommended Increase	BASE EIA APPROPRIATION	Other Funding or Information
Center for Excellence to Prepare Teachers of Children of Poverty at Francis Marion	\$234,300	\$0	Partially funded as a Center of Excellence
National Board Certification - Based on 5,674 teachers receiving supplement and 1,200 new applicants in FY09.	\$2,460,879	\$45,824,534	An additional \$6,061,304 in General Fund monies also appropriated to the program.
Teacher Salary Supplement for Special Schools	\$988,726	\$0	Funds appropriated each year across special schools
EIA Teacher Salary and Employer Contributions - To maintain average teacher salary at \$300 above the SE average of \$47,004 and fully fund EFA at \$2,578 and 872,274 weighted pupil units, requires less EIA funds.	(\$3,304,567)	\$95,746,904	
Center for Educator Recruitment, Retention and Advancement (CERRA) - To expand training of teachers serving as mentors or mentor leaders in districts. \$150,000 to expand data collection and research functions to include National board and student academic achievement data.	\$300,000	\$5,454,014	This base appropriation includes funding of the Teaching Fellows Program at \$4,200,000.

<i>Objective: Encourage Innovation and High Achievement</i>	Recommended Increase	BASE EIA APPROPRIATION	Other Funding or Information
Annualize Summer School Funding	\$12,402,840	\$18,597,160	In current fiscal year, \$12,402,840 appropriated in non-recurring EIA funds
Increase appropriation for Palmetto Gold and Silver Program from \$3.0 million to \$4,750,000. Of this amount \$750,000 would be allocated to reward gap-closing awards as identified and recognized by the EOC with \$5,000 per school.	\$1,750,000	\$3,000,000	
Increase funding for Gifted and Talented Education to reflect EFA inflationary increase of 4.12%	\$1,477,202	\$35,854,420	
Fund second year of Public Choice Innovation Schools and evaluation. Estimate based on four innovation schools receiving \$300,000 and an evaluation of the program by the EOC at \$150,000. 15 proposals have been received for the first year of the program.	\$1,350,000	\$2,560,000	Of which \$200,000 is allocated to the Charter School District.
Fund Office of Innovation within the SC Department of Education as requested by SCDE (Program Manager II, Administrative Assistant, Statistical and Research Analyst III and Education Associate III)	\$300,516	\$0	
Fund "Innovaluation" pilot programs per SCDE request (Total request was \$2.0 million) - SCDE would evaluate and measure success of pilots and design expansion of programs for replication in other schools	\$1,000,000	\$0	
Young Adult Education - Continue phase-in of funding for young adults ages 17 to 21 who did not earn a high school diploma (also requested by SCDE)	\$1,600,000	\$1,600,000	An additional \$3,200,000 in General Fund
School Libraries -- Last year the initial allocation was \$1.0 million in non-recurring funds. Part of staff recommendation to improve reading proficiency. (SCDE requested \$1.0 million)	\$2,000,000	\$0	In current fiscal year, \$1,000,000 appropriated in non-recurring funds
Centers of Excellence - Maintain existing full funding of six Centers and bring another Center into operation in FY09.	\$16,112	\$721,101	

Objective: Simplify and Streamline Funding	Recommended Increase	BASE EIA APPROPRIATION	Other Funding or Information
Consolidate the following line item appropriations into one line item distributed by number of students in districts who are eligible for free/reduced price lunch program and/or Medicaid. The funds would only be expended on intervention strategies that improve reading proficiency across all content areas (English language arts, mathematics, science and social studies) and all grades. All districts would be held harmless so that no district would receive less funds in FY09 than it did in FY08. The hold harmless provision would be phased out over the next three years through revenue growth and increase in EFA.	(\$192,589,708)	(\$192,589,708)	
Act 135 Academic Assistance (\$120,436,476)			
Reduce Class Size (\$35,047,429)			
Summer School (base plus annualization) (\$31,000,000)			
Parent Support (\$4,159,555)			
Family Literacy (\$1,946,248)			
INTO: Allocation to Districts to Improve Reading Proficiency across all content areas (English language arts, mathematics, science and social studies) and grades	\$189,189,708		
Create separate line items XI.EIA.F.2. Other Agencies and Entities for:			
Accelerated Schools Project and eliminate Proviso 1A.26.	\$200,000	\$0	\$200,000 by proviso
Delete provisos 1A.26. and 1A.27. and create a new proviso to allocate funds for the SC Urban Leagues Parental Involvement at \$100,000, the SC Afterschool Alliance at \$250,000 and the SC Communities-in-Schools at \$200,000 which were funded from Parent Support/Family Literacy			
Create separate line item in SCDE for:			
Reading Recovery at \$3,200,000 and eliminate Proviso 1A.11	\$3,200,000	\$0	\$3,200,000 by proviso
Consolidate the following EIA lines into one line item appropriation:			
Handicapped Student Services	(\$4,205,017)	(\$4,205,017)	
P.L. 99-457 Preschool Children w/ Disabilities	(\$3,973,584)	(\$3,973,584)	
Services for Students with Disabilities	\$8,178,601		
Eliminate Competitive Teacher Grant Program	(\$1,287,044)	\$1,287,044	
Allocate funds for TECH Prep and High Schools that Work to the EEDA which is funded in the General Fund:			
TECH Prep	(\$4,064,483)	(\$4,064,483)	
High Schools that Work	(\$1,000,000)	(\$1,000,000)	

Objective: Continue Implementation of EAA	Recommended Increase	BASE EIA APPROPRIATION	Other Funding or Information
Technical Assistance -			
SCDE's total requested increase for EAA Technical Assistance was \$43,620,394.			
<u>Technical Assistance to Below Average and Unsatisfactory Schools - Pending final approval of the provisc</u>	\$0	\$81,102,688	
Minimum allocation of \$250,000 per 156 Unsatisfactory Schools and \$75,000 per 290 Below Average Schools			
Planning Grants of \$570,000 (\$10,000 per 57 schools)			
Discretionary Funds of \$15.0 million			
National About Face Program (\$930,000 per proviso)			
5% to SCDE (\$3,862,500)			
External Review Teams: 101 teams for continuing Unsatisfactory schools at \$24,304 (\$2,454,704) and 55 ERTS and liaisons for new Unsatisfactory schools at a cost per school of \$14,291 (\$786,005) (No increase for FTEs as requested; support costs included of \$208,000	\$2,076,709	\$1,372,000	
School Improvement Council	\$37,500	\$200,918	Increase in number of underperforming schools served by SIC.
Assessment -			
1. Fund formative assessments for 300,000 students in grades 3 through 8 at \$12 per student (up from \$9 this year). SCDE requested \$14.4 million or \$24 per student.	\$1,000,000		The base appropriation is \$3,950,000 in General Funds.
2. Career and Technology Education (CATE) Technical Skill Assessments - Starting in 2008-09 skill assessments required by federal legislation (Perkins Act of 2006); Recommended last year by EOC but not funded	\$800,000	\$0	No funds currently allocated to this assessment. Requested by SCDE.
Data Collection - See narrative of recommendations	\$0	\$2,966,490	For data collection and unique student identifier

TOTAL Staff Recommendations:	\$20,138,690			
Fund Instructional Materials/Textbooks in General Fund not EIA	(\$23,278,783)			
Net Decrease:	(\$3,140,093)			

NET BALANCE: **\$21,105**

Lottery Recommendation:

Funds allocated for K-5 and 6-8 Reading, Math, Science & Social Studies Programs which totaled \$49,614,527 in the current fiscal year should be targeted solely on improving reading proficiency across all content areas (English language arts, mathematics, science and social studies) in all grades and across all content areas.

Subcommittee Recommended Proviso Changes
2008-09 General Appropriation Act
Relating to EIA and EAA
(Proviso Numbers refer to Renumbered Base)
December 4, 2007

Recommendation: Amend the following provisos to delete duplicative reporting requirements.

1A.4. (SDE-EIA: XI.A.1-Gifted & Talented/Jr. Academy of Science) Of the funds appropriated in Part IA, Section 1, XI.A.1. Gifted & Talented, \$100,000 must be provided to the Junior Academy of Science. ~~The Department of Education must provide a report on the effectiveness of the academy to the State Board of Education and the Education Oversight Committee by October 1 annually in a format agreed upon by the Education Oversight Committee and the Department of Education.~~

1A.6. (SDE-EIA: XI.A.1-Junior Scholars) ~~The State Board of Education, through the Department of Education, must provide a report on the effectiveness of the Junior Scholars programs as appropriated in Part IA, Section 1, XI.A.1. to the Education Oversight Committee by October 1.~~ Eligibility for the Junior Scholars program is open to any student who meets the requirements of the program, whether the student attends public school or private school; provided however, any private school student is responsible for paying the cost of the qualifying examination and, at the option of the Department of Education, any other costs associated with the program.

1A.8. (SDE-EIA: XI.A.4-Academic Assistance/Curriculum Development) Funds appropriated in Part IA, Section 1, XI.A.4. for Act 135 of 1993 Other Operating must be used by the Department of Education to provide schools and school districts with technical assistance on curriculum development, including implementing the grade-by-grade academic standards, and instructional improvement in keeping with the intent of Act 135 of 1993 (Sections 59-139-05 and 59-139-10 of the SC Code of Laws) as provided in regulations promulgated by the State Board of Education. ~~Reports on the use of these funds will be provided to the Senate Education Committee and the House Education and Public Works Committee by September 1, of the current fiscal year, reflecting prior fiscal year expenditures.~~

1A.11. (SDE-EIA: XI.A-Academic Assistance/Reading Recovery) Of the EIA funds appropriated herein for the Academic Assistance Act 135, \$3,200,000 shall be used for the Reading Recovery programs throughout the State. Of the funds provided for Reading Recovery, up to \$50,000 shall be used for piloting alternative teaching methods for reading. ~~The State Department of Education shall report to the State Board of Education and the Education Oversight Committee on the allocation and expenditure of these funds by October 1 annually in a format agreed upon by the Education Oversight Committee and the Department of Education.~~

1A.17. (SDE-EIA: XI.C.2-Teacher Evaluations, XI.F.2- Implementation/Education Oversight) ~~The Department of Education shall provide a review of the evaluation results for teachers employed under induction, annual, and continuing contracts to be presented by~~

~~September 30, annually, to the State Board of Education and the Education Oversight Committee. The Department of Education is directed to oversee the evaluation of teachers at the School for the Deaf and the Blind, the John de la Howe School and the Department of Juvenile Justice under the ADEPT model.~~

1A.40. (SDE-EIA: Professional Development) With the funds appropriated for professional development, the Department of Education must disseminate the South Carolina Professional Development Standards, establish a professional development accountability system, and provide training to school leadership on the professional development standards, also training must be provided to educators on assessing student mastery of the content standards. The State Department of Education shall revise professional development activities and programs, including professional development on the standards, the SC Reading Initiative, and programs for administrators, to include emphasis on strategies and services for students at risk of retention. ~~The State Department of Education shall provide information on the activities and programs and measures to gauge their effectiveness to the State Board of Education and the Education Oversight Committee by January 1.~~

Explanation: The EOC has statutory responsibility to, among other tasks, make programmatic and funding recommendations to the General Assembly, to report annually to the General Assembly, Board of Education and public on the progress and needed changes to the EAA and EIA, and to monitor and evaluate the functioning of the public education system. To provide meaningful information and to attain the greatest return on investments of resources, the EOC would like to construct comprehensive program evaluations and report over a three-year period on programs and services. In addition the EOC has undertaken an online programmatic and budgetary survey that will provide consistent information on all EIA and EAA programs. In turn, the EOC recommends deletion of several provisos which require additional reporting to the General Assembly. The information provided in these annual reports I already available to the General Assembly and public via the EOC's programmatic and budgetary review process that is conducted each fall. Results of the review are posted online at www.eoc.sc.gov.

Amendments to Proviso 1A.42. Technical Assistances were carried forward until the December 10, 2007 meeting of the Subcommittee at 10:00 a.m.

Recommendation: Amend the following proviso regarding CERRA

1A.23. (SDE-EIA: XI.F.2-CHE/Teacher Recruitment) Of the funds appropriated in Part IA, Section 1, XI.F.2. for the Teacher Recruitment Program, the S.C. Commission on Higher Education shall distribute a total of \$5,404,014 to the Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) for a state teacher recruitment program, of which \$4,200,000 must be used for the Teaching Fellows Program and of which \$166,302 must be used for specific programs to recruit minority teachers, and shall distribute \$467,000 to S.C. State University to be used only for the operation of a minority teacher recruitment program and therefore shall not be used for the operation of their established general education programs. Working with districts with an absolute rating of Unsatisfactory or Below Average, CERRA will provide shared initiatives to recruit and retain teachers to schools in these districts including the training of mentors and mentor leaders. With the funds appropriated CERRA will also maintain a data collection system that documents student achievement data for National Board teachers and include evidence of the impact of National Board certification on student academic achievement to the EOC. CERRA will report annually by October 1 to the Education Oversight Committee and the Department of Education on the success of the recruitment and retention efforts in these schools. The S.C. Commission on Higher Education shall ensure that all funds are used to promote teacher recruitment on a statewide basis, shall ensure the continued coordination of efforts among the three teacher recruitment projects, shall review the use of funds and shall have prior program and budget approval. The S.C. State University program, in consultation with the Commission on Higher Education, shall extend beyond the geographic area it currently serves. Annually, the Commission on Higher Education shall evaluate the effectiveness of each of the teacher recruitment projects and shall report its findings and its program and budget recommendations to the House and Senate Education Committees, the State Board of Education and the Education Oversight Committee by October 1 annually, in a format agreed upon by the Education Oversight Committee and the Department of Education.

Explanation: An increase in funds of \$300,000 to CERRA will allow the organization to expand its training of mentors and mentor leaders as well as to document the impact of National Board certification on student academic achievement.

Recommendation: Delete Proviso 1A.63. in its entirety.

1A.56. (SDE-EIA: Teacher Recruitment/Retention Task Force) ~~The Education Oversight Committee shall convene a task force to evaluate current teacher recruitment and retention policies, particularly those that impact on schools that have historically underachieved. Included in the task force will be representatives from the Department of Education, the Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina), institutions of higher learning, the Student Loan Corporation, the Commission on Higher Education, and classroom teachers from throughout South Carolina.~~

Explanation: The teacher recruitment and retention task force has completed its work and issued a report to the EOC. The report has been provided to members of the General Assembly.

Recommendation: Delete the following proviso in its entirety:

~~**1A.60.** (SDE EIA: 3 Year Technical Assistance Plan) No school that received technical assistance funding in Fiscal Year 2006-07 and that implemented a three-year technical assistance plan approved by the Department of Education shall receive a reduction in those funds in Fiscal Year 2007-08.~~

Explanation: Proviso 1A.42. provides for a minimum three-year commitment to provide technical assistance funds to underperforming schools. This proviso could set up a tiered system of technical assistance whereby schools would be compensated at different levels, pending the availability of funds.

Recommendation: Amend Proviso 1A.6.1 regarding the Public Choice Innovation Schools to allocate funds for the longitudinal evaluation

1A.61. (SDE-EIA: XI.E.1-Public Choice Innovation Schools) With the funds provided, a grant program will be established to support the creation of Public Choice Innovation Schools in South Carolina and to provide for their evaluation. These schools are public choice alternatives for grade 4-8 students enrolled in the public schools rated Unsatisfactory or Below Average or students enrolled in public schools rated Average or above and who scored Basic or below on any two or more subject area grade level PACT assessments in grades 3-7 during the most recent school year. The goal of Public Choice Innovation Schools is to demonstrate leadership in instructional, administrative or personnel practices yielding strong student academic achievement.

To assist entities in operating innovation schools, a grants program would be established by the State Board of Education. The grant would be for a minimum of five years with the first year of funding for planning and equipping purposes and the remaining years of supplemental funding for operation of the innovation school. Entities eligible to receive a grant include public and private partnerships. Partnerships include an educational management organization, a private corporation, an institution of higher education, a consortium of public schools districts and/or a contractual relationship between a private entity and a public school district. In the application process, partnerships must demonstrate at least one of the following strategies in improving leadership and academic achievement: changes in teacher compensation to address geographic or certification barriers and/or to offer performance incentives; utilization of novel leadership and administrative policies and procedures, to include preparation and certification of administrators, operational procedures and costs shared with other entities; continuous progress of students between grades 4-8; virtual delivery of substantial portions of the curriculum; and novel or non-traditional uses of time, space and technology in the instructional delivery of state academic content standards; or a combination of these strategies. The first year planning grant to each proposed school would be \$100,000 with innovation schools also eligible to receive additional grant funds for equipment and facilities not to exceed \$400,000 per partnership. In year two of the grant the partnership would receive funds for operation of the school to include a maximum grant of \$300,000 in supplement of the per pupil revenues from federal, state and local sources. In years three through five the school would continue to receive grant funds but at the

maximum level of eighty percent of each previous year's grant. Funding per innovation school would be dependent upon: state per pupil allocations; supplementary allocations equal to local spending levels in the sending school; transportation allowance equivalent to the state per pupil transportation expenditure; and federal funds as applicable to the student population. In year six and beyond, the innovation school would receive a minimum supplement of \$100,000.

Eligible to attend the Public Choice Innovation schools are students who meet one of the following conditions: (1) are enrolled in grades 4 through 8 and are assigned to a school rated Below Average or Unsatisfactory; or (2) are enrolled in schools with an absolute rating of Average or above and scored Basic or below on any two or more subject area grade level PACT assessments in grades 3 through 7 during the most recent school year. Students are not required to attend a Public Choice Innovation School in their district of residence. As long as no eligible student is denied admission, the Public Choice Innovation School may accept other students as their parents choose to enroll them and receive funded as previously defined. Once a student is enrolled in a Public Choice Innovation School, the child is guaranteed enrollment in the appropriate grades as long as the school remains in operation, unless the student violates behavioral expectations, or the parents choose to transfer the student to another school for which the student is eligible. An innovation school may not discriminate against any student on the basis of race, color, national origin, gender, disability or prior academic performance.

Public Choice Innovation Schools are required to participate in the statewide testing program; however, the schools shall not receive Education Accountability Act ratings until the third year of operation. The initial rating addresses student performance in the third year of operations.

An independent longitudinal evaluation of Public Choice Innovation Schools is to be conducted or contracted by the Education Oversight Committee and must include a value-added component so that valid comparisons can be made to student performance in traditional public schools and public charter schools. Of the funds provided herein, \$150,000 will be allocated to the Education Oversight Committee for the evaluation.

Of the funds provided herein, the first \$200,000 will be directed to the South Carolina Public Charter School District Board of Trustees which shall be authorized to use these funds for administrative costs to make the district operational.

Explanation: The proviso is amended to stipulate the amount of funds to be allocated for the evaluation.

Recommendation: Add an appropriately numbered proviso to read:

“A portion of the funds for the Palmetto Gold and Silver Awards Program must be used to reward schools that are identified and recognized by the Education Oversight Committee as closing the achievement gap between one or more historically lower-scoring demographic groups and historically higher scoring groups on the state assessment test for English language arts and/or mathematics. Each gap-closing school must receive \$5,000. A school is eligible to receive financial rewards for recognition as a Palmetto Gold and Silver school and for closing the gap.”

Explanation: To focus more public attention on the significant academic achievement of schools that are achieving academic success and are closing the achievement gap, the EOC would recommend increasing the appropriation for Palmetto Gold and Silver and including a special recognition for schools that close the achievement gap. The schools would be identified and recognized by the EOC and receive a \$5,000 reward.

Recommendation: Add an appropriately numbered proviso to read:

“By November 1 of the current fiscal year, the Department of Education will provide to the General Assembly and the Education Oversight Committee a report on educational services to children with special needs and disabilities. The report must provide the following: a descriptive report of the program delivery system in schools and school districts; pupil counts by disability within districts and by grade levels as appropriate; the current cost of providing services to children by disability; the total amount of state, federal and local revenues for children with special needs; and documentation of the implementation of Individual Education Plans for students.”

Explanation: A report on programs for students with special needs and disabilities will provide the necessary data to review the weights for students with disabilities under the EFA and to determine the resource needs of the program.

Recommendation: If the proposal to consolidate funds for Reading Achievement is accepted, the following actions should occur:

1. Add an appropriately numbered proviso to read:

“Because reading proficiency is a fundamental skill that affects the entire learning experience and school performance of children and adolescents, the funds allocated for Reading Achievement are to be expended for intervention strategies to improve the reading proficiency of students in all grades and across the four content areas of English language arts, mathematics, science and social studies. Using the reading framework of the National Assessment of Educational Progress, reading achievement includes reading for literary experience, reading for information and reading to perform a task. The funds shall be allocated to districts based on the number of students in each district who are eligible for the free/reduced price lunch program or Medicaid. School districts may only expend the funds on direct services to students and tutorials with students and their families. The Department of Education will provide by November 1 of each fiscal year a report to the General Assembly and the Education Oversight Committee which documents progress in student academic achievement in reading proficiency of students in all grades and across the four content areas of English language arts, mathematics, science and social studies by school district. No school district will receive fewer funds in the current fiscal year than it received in the prior fiscal year from the sum of following allocations: Act 135 Academic Assistance, Summer School, Reduce Class Size, Parent Support/Family Literacy. It is the intent that the hold harmless provision will be phased out over three years. The Department of Education will assist districts in implementing reading improvement strategies and interventions. Of the funds appropriated herein, a minimum of \$200,000 shall be allocated to the South Carolina Communities-In-Schools, a minimum of \$250,000 to the South Carolina Afterschool Alliance, and a minimum of \$100,000 to the South Carolina Urban Leagues state-wide parental involvement program.”

Explanation: Research has documented that the ability to read proficiently is a fundamental skill affecting a student’s learning experiences and school performance. Research also demonstrates that students who are competent readers perform better in other subjects like math, science and social studies and are more likely to graduate from high school. Such achievement is critical in preparing a workforce that can succeed in the 21st century.

2. If summer school funds are consolidated into one line item appropriation, then Proviso 1A.47. should be amended accordingly:

1A.47. ~~(SDE-EIA: EAA Summer School, Grades 3-8 Assessment) Funds appropriated for summer school shall be allocated to each local public school district based on the number of academic subject area scores below the basic on the prior year Spring PACT administration for students in grades three through eight and on the number of students entering ninth grade who score below proficient in reading. With the funds appropriated for assessment, schools will receive information on individual student scores. Individual student scores on the PACT shall not be the sole criterion used to determine whether a student on an academic plan the prior year will~~

be placed on probation or retained. Individual student scores on the PACT shall not be the sole criterion for requiring students to attend summer school. School districts may consider other factors such as student performance, teacher judgment, and social, emotional, and physical development in placing students on academic probation or requiring summer school attendance. Students may not be placed on academic probation or retained based solely on the PACT scores. The State Department of Education working with the Education Oversight Committee must develop a method to supplement the PACT with diagnostic training and materials aligned to the content standards. Current year appropriations may be expended for prior year EAA summer school purposes. Local public school districts shall utilize these funds in accordance with the requirements of Section 59-18-500 of the 1976 Code. The State Department of Education is directed to utilize PACT-like tests aligned with standards to be administered to students on academic probation required to attend summer school. The test shall be a determinate in judging whether the student has the skills to succeed at the next grade level. The State Board of Education shall establish regulations to define the extenuating circumstances including death of an immediate family member or severe long-term student illness, under which the requirements of Section 59-18-900(D) may be waived. ~~Furthermore, the Department of Education, working with and through the SC Afterschool Alliance, will provide \$250,000 to produce a model of voluntary quality standards for out of school time programs, develop a directory of technical assistance, and identify gaps of service.~~

3. If other funds (Act 135, Reduce Class Size and Parent Support/Family Literacy) are consolidated, then the following provisos can be deleted in their entirety.

- 1A.7.**
- 1A.8.**
- 1A.9.**
- 1A.10.**
- 1A.11.**
- 1A.23**
- 1A.26.**
- 1A.27.**